

**GOVERNMENT OF INDIA  
MINISTRY OF CORPORATE AFFAIRS**

**RAJYA SABHA  
UNSTARRED QUESTION NO. 523  
ANSWERED ON TUESDAY, 7<sup>TH</sup> FEBRUARY 2023**

**Shell Companies in the country**

523# Shri Satish Chandra Dubey:

Will the Minister of Corporate Affairs be pleased to state:

- (a) the total number of companies identified as Shell companies during last three years, especially in Bihar as well as in other States, the details thereof;
- (b) whether any Committee has been constituted to look into the issues related to the said companies and to monitor the progress of action taken against them;
- (c) if so, the number of such companies as well as their promoters against whom action has been taken so far; and
- (d) the steps taken by Government to identify other such companies and the measures taken to prevent such incidents?

**ANSWER**

**The Minister of State (Independent Charge) of the Ministry of Statistics and Programme Implementation; Minister of State (Independent Charge) of the Ministry of Planning and Minister of State in the Ministry of Corporate Affairs.**

**(RAO INDERJIT SINGH)**

(a) & (b) : The term “Shell Companies” is not defined in the Companies Act, 2013. However, in terms of Section 248(1) of the Companies Act, 2013 read with the Companies (Removal of Names of Companies from the Register of Companies) Rules, 2016 (amended Rules 2019) names of certain companies have been struck off for certain violations such as failing to commence business within one year of incorporation, not carrying on any business or operation for a period of two immediately preceding financial years and not making any application within such period for obtaining the status of a dormant company, not carrying on any business or operations, as revealed after the physical verification etc. A total of 1,27,952 names have been (3,872 companies from the State of Bihar) removed by the Registrar of Companies from the register during the financial years 2019-20, 2020-21 & 2021-22. Details are given here under: -

Financial year	2019-20	2020-21	2021-22	Total
Companies Struck Off in Total (details in Annexure-1)	60,770	12,009	55,173	1,27,952
Companies Struck Off in Bihar	1,952	185	1,735	3,872

The above-mentioned number of companies have been struck off by the concerned Registrars. No committee has been constituted for this purpose.

(c) Consequent upon action initiated under section 248(1) of the Companies Act, 2013, directors have incurred disqualification in terms of the provision of Section 164(2)(a) r/w 167 of the Companies Act, 2013 for filing of Annual Return or Balance Sheet for continuous period of three financial Years in earlier three Drives. Details are as under: -

Number of Drive	Number of Directors disqualified
Drive-I	3,09,614
Drive-II	1,14,835
Drive-III	25,948

(d) MCA has implemented filing of directors KYC in e-form DIR-3 wherein all the KYC details/data of each director is captured. Further, for the location of the Registered Office of the Company Form INC-22 is mandated. Further, power has been delegated to the Registrar of companies for physical verification of registered office of the companies from time to time to verify the status of the companies registered with the MCA.

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## Annexure - I

The details of companies struck off under Section 248 of the Companies Act, 2013 during the last three financial years i.e., 2019-20, 2020-21 and 2021-22 in respect of all States are as under:-

Sl. No.	State	2019-20	2020-21	2021-22	Total
1	Andaman & Nicobar	14	2	2	18
2	Andhra Pradesh	954		1292	2246
3	Arunachal Pradesh	36	3	29	68
4	Assam	489	62	328	879
5	Bihar	1952	185	1735	3872
6	Chandigarh	331	170	396	897
7	Chattisgarh	300	31	285	616
8	Dadra & Nagar Haveli	8	1	14	23
9	Daman and Diu	7	2	4	13
10	Delhi	9357	1986	3995	15338
11	Goa	223	26	196	445
12	Gujarat	2181	256	3070	5507
13	Haryana	2027	409	792	3228
14	Himachal Pradesh	175	172	229	576
15	Jammu & Kashmir	137		312	449
16	Jharkhand	400	139	949	1488
17	Karnataka	4646	991	5583	11220
18	Kerala	5321	777	1785	7883
19	Leh & Ladakh			5	5
20	Lakshadweep	3	1	452	456
21	Madhya Pradesh	947	111	9898	10956
22	Maharashtra	7670	2298	52	10020
23	Manipur	47	4	18	69
24	Meghalaya	52	9	9	70
25	Mizoram	8		20	28
26	Nagaland	43	2	925	970
27	Orissa	654	58	73	785
28	Pondicherry	117	32	775	924
29	Punjab	560	330	1376	2266
30	Rajasthan	3791	148	1	3940
31	Tamil Nadu	3114	1321	5539	9974
32	Telangana	2683	722	4743	8148
33	Tripura	44	2	27	73
34	Uttar Pradesh	5802	1754	919	8475
35	Uttarakhand	76		232	308
36	West Bengal	6601	5	9113	15719
	<b>Grand Total</b>	<b>60770</b>	<b>12009</b>	<b>55173</b>	<b>127952</b>